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WE PROTECT LIVES AND PROPERTY

September 12, 1996

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, DC 200554

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SEP 23 1996
FCC-111-112

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RE: CC DOCKET NO. 96-152

Dear Mr. Caton,

Aa short while ago, I became aware that the FCC is considering guidelines to implement the alarm monitoring provisions of the Telecommunications Act of 1996. As the president of Protective Alarms, Inc., a family run Connecticut company that provides alarm monitoring services primarily in Connecticut and New York, I take a strong interest in CC Docket No. 96-152., which will implement Section 275 of the '96 Act. We at Protective Alarms urge the Commission to interpret Section 275 in the manner intended by Congress, and to resist the Bell Company's attempts to reduce the section to a meaningless technical provision.

1. Protective Alarms is completely dependent on the local telephone companies in the towns that it provides monitoring services, for connection of its alarm monitoring customers to its alarm monitoring center. There is no practical alternative at this time. As a result, Protective Alarms is extremely vulnerable to potentially anticompetitive conduct by these Bell Companies.

2. Section 275 provides a five year prohibition on Bell Company entry into the alarm business in order to permit local competition to develop that will give alarm monitoring services companies, like Protective Alarms, an alternative local network to use. Although local competitors have begun the process of entry into the largest markets, it likely will be years before any of them present a viable alternative to the incumbent Bell Companies.

3. Protective Alarms understands that certain Bell Companies now contend that Section 275 is only a very narrow prohibition. Accordingly, these incumbent monopolists contend that Section 275 allows them immediately to resell alarm monitoring services, or engage in marketing, sales agency, billing, and customer inquiry services associated with alarm monitoring services. Moreover, these Bell Companies plan to be compensated for these activities through a percentage of the alarm monitoring revenues. This interpretation of Section 275 will give SNET/NYNEX all the same opportunities and incentives to discriminate and compete unfairly that it would have had if the five year ban did not exist. In other words, it will make the five year prohibition meaningless and could have an extremely detrimental impact on Protective Alarms.

4. Protective Alarms further understands that Ameritech has invented a reading of Section 275 that would subvert the ban on the company's acquisition of other alarm monitoring services for five years. In fact, Ameritech has announced its purchase of the alarm business of Circuit City Stores, and has solicited numerous other companies in an effort to buy them out. If allowed to prevail, this reading of Section 275 will render meaningless the five year prohibition on Ameritech's purchase of other alarm monitoring companies. Again, the protections provided to small alarm monitoring businesses by Section 275 will be eliminated.


5. Protective Alarms has also learned of yet another Bell Company effort to undermine Section 275. This time, US West contends that it offered services prior to November 30, 1995 which qualify it to participate in the alarm monitoring business in the same way as Ameritech. As with other Bell Company attempts to escape the provisions of Section 275, it is critical to our business that this effort not succeed. Enforcement of the provisions of Section 275 for the five year probationary period is crucial if local competition is to develop sufficiently to provide alarm companies with alternative sources of local transmission.

6. Protective Alarms believes that the 1996 Act represents a congressional compromise between the interests of the alarm monitoring industry's fears of anticompetitive conduct by the Bell Companies and the telephone companies' desire to enter the alarm business. A 5 year prohibition to enable local competition to take root before the Bell Company entry seems to balance the interests of the parties fairly. If the recent Bell Company efforts succeed in interpreting Section 275 as a

narrow, trivial provision, however, the entire intent and effect of the interim protections will be lost.

Protective Alarms urges the FCC to reject these Bell Company distortions of Section 275 and implement it in a manner consistent with Congress' intent.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Levine", written over the printed name.

Steve Levine

President

PROTECTIVE ALARMS, INC.